



Saskatchewan
Finance

Annual Report 2000

Saskatchewan Liquor Board Superannuation Commission

**Annual Report
2000**

Fifty-sixth

**Annual Report
of the
Saskatchewan
Liquor Board
Superannuation
Commission
for the year ended
December 31, 2000**



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Saskatchewan
Liquor and Gaming
Authority

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the fifty-sixth Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 2000, pursuant to the provisions of Section 54 of *The Liquor Board Superannuation Act*.

I have the honour to be, Madam,

Your obedient servant,

A handwritten signature in cursive script, reading "Doreen Hamilton".

Doreen Hamilton
Minister in Charge
Liquor Board Superannuation Commission



Saskatchewan
Public Employees
Benefits Agency

The Honourable Doreen Hamilton
Minister in Charge
Liquor Board Superannuation Commission
Regina, Saskatchewan

Madam:

Letter of Transmittal

I have the honour to submit herewith the fifty-sixth Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 2000, pursuant to the provisions of Section 54 of *The Liquor Board Superannuation Act*.

Respectively submitted,

A handwritten signature in dark ink, appearing to read "Brian Smith".

Brian Smith
Chairman

LIQUOR BOARD SUPERANNUATION COMMISSION

INTRODUCTION

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of *The Liquor Board Superannuation Act*.

The primary objective of the Commission is to provide superannuation allowances to employees who retire and to the dependents of deceased superannuates and employees, in accordance with the Act.

CONTRIBUTIONS AND PAYMENTS

During the calendar year ended December 31, 2000 employees' contributions to the Liquor Board Superannuation Fund amounted to \$176,291. Employer contributions of \$1,968,819 were made to the Fund.

Allowances paid during the year to superannuates, and to the spouses and children of deceased superannuates and employees, amounted to \$2,850,652.

RETIREMENTS AND DEATHS

Two employees were granted a retirement benefit during the year (see Table 1).

During the year four superannuates and six spouses receiving an allowance died. There were two beneficiaries (see Table 2).

INVESTMENT PERFORMANCE

The Liquor Board Superannuation Commission is responsible for holding in trust and investing the monies in the Plan. The Commission has retained Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long term investment performance objectives set by the Commission. It is these long term investment performance objectives that are used to assess the performance of the investment manager.

The primary long term investment performance objective for the entire portfolio is to out perform a benchmark portfolio constructed as follows:

Asset	Market Index	Weight
Canadian Equities	Toronto Stock Exchange 300 Index	25.0%
U.S. Equities	Standard & Poors 500	12.5%
Non-North Amer. Bonds	European, Australia & Far East Scotia Capital Markets Universe Bond Index	45.0%
Short Term Inv.	91 Day Canadian Treasury Bills	5.0%
Total:		100.0%

The following is a summary of the Plan's investment performance:

	2000	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	9.9%	11.0%
Target rate of return (b)	7.4%	9.8%

- (a) The annual returns are before deducting investment expenses.
- (b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined, after the fact, using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Morgan & Stanley Canadian Index-World and the Scotia Capital Markets Universe Bond Index.

The Commission reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over rolling four year periods. For the four years ending December 31, 2000, the plan had an annualized gross rate of return of 11.0%. The investment objective (the return of the benchmark portfolio) was 9.8%.

The Commission has retained Royal Trust as the custodian of the Plan. The custodian is responsible for custody of all financial assets of the Plan (in the name of the Liquor Board Superannuation Plan). The custodian also ensures that investment income (ie. dividends, interest) is collected and provides financial statements for all investment transactions.

The Commission engages the services of an asset consultant to provide advice on the overall management of the Plan's investments and on

the measurement of the Plan's performance. James P. Marshall, Inc. provides this service.

Gaming Authority for their co-operation and assistance during the year.

CASH FLOW FORECAST AFTER GENERAL SALARY INCREASE

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The total cash outflows is the amount required to pay all pension obligations. Forecast of cash inflows and outflows have been determined using the following long term assumptions:

Interest rate	6.25%
Inflation	3.25%
General salary increases	3.25%

The net cash outflow required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2030. In addition, employer contributions are assumed, each year, to equal the amount necessary to ensure the asset balance of the plan at the end of each year will be \$12.2 million. Included in the cash inflows are employer contributions and investment income as follows:

<u>Year</u>	<u>Net Cash Outflow</u>
2001	2,806,835
2002	2,794,069
2003	2,785,861
2004	2,792,539
2005	2,754,928
Total within 5 years	\$13,934,232
Total 5 - 10 years	\$15,424,447
Total 11 - 30 years	\$63,643,611

ADMINISTRATION

The Public Employees Benefits Agency in the Department of Finance is responsible for the operation, administration and management of the Liquor Board Superannuation Plan.

The Commission extends its appreciation to the diligent staff of the Public Employees Benefits Agency responsible for the day-to-day administration and accounting requirements of the Liquor Board Superannuation Plan and to employees of the Saskatchewan Liquor and

LIQUOR BOARD SUPERANNUATION COMMISSION

Brian Smith	Chairman
Bill Marr	Member
Randy Werner	Member

Table 1 Allowances Granted to Employees

Employees Retired Having Attained Age 60 with 20 Years of Service

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
OLSON, Garth	L.S. Manager 2	3,040.01	60	25.1	21,174.00	November 6, 1998

Employees Retired Having Attained 35 Years of Service

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
NEUFELD, John	L.S. Clerk 1	2,275.01	56	35.0	21,309.24	August 10, 2000

Table 2 Allowances Granted to Spouses of Deceased Superannuates

Name	Date of Death	Age at Death	Annual Allowance At Death	Annual Allowance Payable to Spouse	Effective Date
BINDLE, Edmund	April 22, 2000	77	12,869.28	643.47	May 1, 2000
Spouse: Edna					
BODDY, Clifford	January 14, 2000	89	8,184.72	No Beneficiary	
DERKACH, John	February 5, 2000	76	22,162.44	13,297.46	March 1, 2000
Spouse: Anne					
GERHART, Ivy Pearl (w)	April 23, 2000	88	3,827.76	No Beneficiary	
JOCELYN, Muriel (w)	May 9, 2000	78	5,929.68	No Beneficiary	
LAKIN, Janet (w)	August 25, 2000	103	4,841.52	No Beneficiary	
SHEDLOWSKI, Pearl (w)	August 23, 2000	76	10,731.96	No Beneficiary	
SPANNER, Eddie	April 13, 2000	80	16,986.12	No Beneficiary	
VOLK, Magdalene (w)	February 20, 2000	83	3,445.56	No Beneficiary	
WILCOX, Helen (w)	February 17, 2000	86	3,723.48	No Beneficiary	

MANAGEMENT'S REPORT

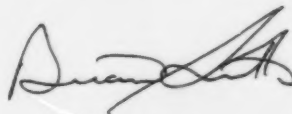
To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

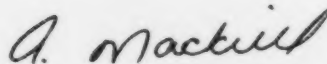
The financial statements which follow have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Plan.

The present value of the pension liabilities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been examined by the Provincial Auditor whose report follows.



Brian Smith
Executive Director
Public Employees Benefits Agency



Ann Mackrill
Director of Pensions
Public Employees Benefits Agency

Regina, Saskatchewan
February 8, 2001

LIQUOR BOARD SUPERANNUATION COMMISSION

LIQUOR BOARD SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2000

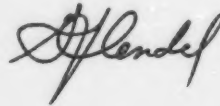
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Liquor Board Superannuation Plan as at December 31, 2000 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at December 31, 2000 and the changes in net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.



Regina, Saskatchewan
February 8, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

LIQUOR BOARD SUPERANNUATION COMMISSION**STATEMENT 1****LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS****AS AT DECEMBER 31**

ASSETS	2000	1999
Investments		
Due from General Revenue Fund (Note 5)	\$ 112,320	\$ 31,067
Cash and short term investments	1,295,458	949,675
Bonds and debentures	6,332,932	6,271,011
Equities	3,536,440	4,234,057
Pooled Funds	<u>3,104,896</u>	<u>2,438,449</u>
	14,382,046	13,924,259
Receivables		
Employees' contributions	22,531	7,190
Employer's contributions	106,368	38,893
Accrued investment income	92,121	68,306
Other	<u>54,846</u>	<u>151,729</u>
Total assets	<u>14,657,912</u>	<u>14,190,377</u>
LIABILITIES		
Accounts payable	<u>11,460</u>	<u>14,759</u>
Total liabilities	<u>11,460</u>	<u>14,759</u>
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	<u>\$14,646,452</u>	<u>\$14,175,618</u>

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION**STATEMENT 2****LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****YEAR ENDED DECEMBER 31**

	<u>2000</u>	<u>1999</u>
INCREASE IN ASSETS		
Investment income		
Interest	\$ 454,853	\$ 422,628
Dividends	57,051	57,751
Pooled funds-dividends	<u>267,912</u>	<u>377,932</u>
	779,816	858,311
Market value adjustment	563,801	476,487
Contributions		
Employees'	176,291	166,713
Employer's	<u>1,968,819</u>	<u>1,089,606</u>
Total increase in assets	<u>3,488,727</u>	<u>2,591,117</u>
DECREASE IN ASSETS		
Superannuation allowances	2,850,652	2,923,281
Administration expenses (Note 8)	90,022	98,122
Refunds and transfers		
Contributions	32,838	-
Interest	<u>44,381</u>	<u>-</u>
Total decrease in assets	<u>3,017,893</u>	<u>3,021,403</u>
Increase (decrease) net assets	470,834	(430,286)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>14,175,618</u>	<u>14,605,904</u>
NET ASSETS AVAILABLE FOR BENEFITS, end of year - to Statement 1	<u>\$14,646,452</u>	<u>\$14,175,618</u>

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION

LIQUOR BOARD SUPERANNUATION PLAN NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Plan

a) General

The Liquor Board Superannuation Plan is a defined benefit final average pension plan established under *The Liquor Board Superannuation Act* (Act). Membership is comprised of employees and Board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978. Complete Plan details are contained in the Act. The Act also established the Liquor Board Superannuation Fund to account for all transactions of the Plan.

b) Administration

The Liquor Board Superannuation Commission administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions. The employer contributes a fixed percentage of the members' contributions as necessary to fund the benefits provided by the Plan. This rate is set periodically by the Commission on the advice of the Actuary.

d) Retirement

Normal retirement is at age 65. Employees may retire earlier under certain conditions.

e) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Investments

Investments in bonds, debentures and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers. In the absence of recorded sales, reference is made to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Pooled funds are valued based on the net asset value per unit of the underlying assets on the last valuation date.

Short term investments are valued at cost which approximates market value.

The change in the market value of investments during the year is reflected on the financial statements as a market value adjustment.

Fair value approximates the market value of investments.

b) Investment Transactions and Income

Investment transactions are recorded on the trade date. Transaction conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Interest income is accrued monthly and dividend income is recognized on the record date.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on a recognized credit rating service.

Short Term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 5.5% to 6.9% (1999 - 4.8% to 5.5%) and an average term to maturity of 124 (1999 - 111) days. The Plan's investment policy requires that investments meet a minimum investment standard of "R-1" rating or equivalent, as rated by a recognized credit rating service. Other than Government of Canada no single issuer represents more than 13.8% of the market value (1999 - 19.0%) of the short term investment portfolio.

Bonds and Debentures

The Plan's investment policy requires that bonds meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the bond portfolio may be invested in

BBB rated bonds. As at December 31, 2000, the Plan held 2.9% (1999 - 0.3%) of its portfolio in BBB bonds.

Years to Maturity	2000						1999		
	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	\$1,948,923	\$ 700,109	\$ 494,453	\$3,143,485	5.1-8.4%	4.9-8.8%	\$1,766,331	5.0-7.6%	4.9-8.0%
5 - 10	210,487	434,685	381,007	1,026,189	5.3-8.2%	5.3-10.8%	1,909,001	5.8-8.0%	5.5-8.8%
Over 10	1,423,692	508,991	230,575	2,163,258	3.6-8.3%	4.2-11.3%	2,595,679	3.7-7.4%	4.3-8.5%
Market Value	\$3,583,112	\$1,643,785	\$1,106,035	\$6,332,932			\$6,271,011		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

	Market Value	
	2000	1999
Common shares - Canadian	\$3,518,440	\$4,196,857
Private equity	18,000	37,200
	<u>\$3,536,440</u>	<u>\$4,234,057</u>

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the portfolio and no one holding to represent more than 10% of the common stock in any corporation. The Plan's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate is 1.47%.

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 25% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The Plan's pooled funds are comprised of the Greystone U.S. Equity Fund, Greystone Non-North American Fund and Greystone Emerging Market Fund.

4. Obligation for Pension Benefits

An actuarial valuation of the Liquor Board Superannuation Plan was performed as at June 30, 1999 and extrapolated to December 31, 1999 and December 31, 2000 by Aon Consulting. The actuary used the projected benefit method prorated on services to determine actuarial present value of accrued pension benefits.

The principal components of change in the actuarial present values as at December 31 are as follows:

	<u>2000</u> (in thousands)	<u>1999</u> (in thousands)
Actuarial present value of accrued pension benefits, beginning of year	\$42,211	\$38,886
Experience (gain)	-	(1,113)
Effect of change in assumptions	-	4,250
Interest accrued on benefits	2,580	2,652
Benefits accrued and members transferred in	505	459
Benefits paid	<u>(2,928)</u>	<u>(2,923)</u>
Actuarial present value of accrued pension benefits, at end of the year	42,368	42,211
Net assets available for benefits (Statement 1)	<u>14,646</u>	<u>14,176</u>
Unfunded liability	<u>\$27,722</u>	<u>\$28,035</u>

The pension liability is based on a number of assumptions about future events including: interest rate, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long term assumptions used.

Significant long term actuarial assumptions used in the valuation were:

- general salary increases are expected to be 2.0% in 2000 to 2002 increasing to 3.25% in 2003 and thereafter
- the inflation rate for 2000 to 2002 is expected to be 2.0% increasing to 3.25% in 2003 and thereafter
- interest rate is 6.25% for 1999 and thereafter.

The following illustrates the effect of changing certain assumptions from assumed rates of: inflation 3.25%, salary 3.25%, interest rate 6.25% and post retirement indexing 1.625%.

	Long Term Assumptions						Post Retirement Indexing	
	Inflation*		Salary		Interest			
(Decrease) increase in liability	4.25%	2.25%	4.25%	2.25%	7.25%	5.25%	2.625%	0.625%
	(4.8%)	5.3%	1.6%	(1.5%)	(10.0%)	12.1%	4.5%	(4.2%)

- * A change in the inflation rate of 1% has a corresponding change in the interest rate of 1%, in the salary scale of 1% and in the post retirement indexing of 1%.

The actuarial present value of accrued pension benefits contains a provision for ad hoc increases as they are subject to Lieutenant Government in Council approval. The ad hoc assumption is 50% of CPI based on previous year's experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions he considers advisable.

The unfunded liability is not payable immediately. The cash inflows from employee contributions and investment income and the cash outflow to pay the required pension obligation are calculated using the above assumptions. The net cash outflows in the next 5 years would be \$13.9 million, in the next 10 years \$29.4 million and in the next 30 years \$93.0 million. If there are insufficient monies in the Fund to pay allowances or other payments, the Liquor and Gaming Authority is obligated to pay any such deficiency to the Fund.

The unfunded liability could be funded if payments of approximately \$2,901,000 were made each year for 15 years assuming an interest rate of 6.25%.

5. Due From General Revenue Fund

The Liquor Board Superannuation Plan bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate, and the Plan's average daily bank account balance. The Government's average thirty day borrowing rate in 2000 was 5.5%.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan collectively referred to as "related parties". The operating expenses associated with administering the Plan are paid to the Public Employees Benefits Agency Revolving Fund.

The Plan holds investments in bonds and debentures of the Province of Saskatchewan at December 31, 2000 of \$150,705 (1999 - \$123,514).

Other transactions with related parties and amounts due to or from them are disclosed separately in these financial statements and notes.

Related party transactions with the Plan are in the normal course of operation and are recorded at exchange amounts agreed to by the parties to the transactions.

7. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long term performance objectives set by the Commission. The Commission reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	<u>2000</u>	<u>Rolling Four Year Average Annual Return</u>
Plan's actual rate of return (a)	9.9%	11.0%
Target rate of return (b)	7.4%	9.8%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Morgan & Stanley Canadian Index-World and the Scotia Capital Markets Universe Bond Index.

8. Administration Expenses

	2000		1999
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	\$104,792	\$46,158	\$ 95,465
Custodian fees - Royal Trust	-	22,084	16,440
Investment management fees - Greystone	-	21,780	(13,783)
	<u>\$104,792</u>	<u>\$90,022</u>	<u>\$ 98,122</u>

Custodian and investment management fees are based on the market value of the portfolio.

9. Fair Value of Financial Assets and Financial Liabilities

The pension liability is long term in nature. The Plan has no intention of settling its pension obligation in the near term and there is no market for settling its pension obligation. Therefore, determination of the fair value of the pension liability is not practical.

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (note 2).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities.

- a) employees' and employers' contributions receivable
- b) accrued investment income
- c) other receivables
- d) due from General Revenue Fund
- e) cash
- f) accounts payable

LIQUOR BOARD SUPERANNUATION COMMISSION**EXHIBIT 1****LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited)****DECEMBER 31, 2000**

Security	Par Value	Market Value
Government of Canada	\$3,172,000	\$ 3,400,989
Government of Canada-Guarantees	237,000	182,123
Hydro Quebec	45,000	46,760
Province of British Columbia	213,000	217,353
Province of Manitoba	379,000	387,024
Province of New Brunswick	347,000	372,379
Province of Newfoundland	30,000	30,636
Province of Nova Scotia	14,000	14,381
Province of Ontario	63,000	65,747
Province of Quebec	312,000	320,416
Province of Saskatchewan	153,000	150,705
Quebec Finance Corporation	38,000	38,384
Alberta Energy Company Limited	17,000	17,176
Associates Capital Corp of Canada	51,000	50,802
Bank of Nova Scotia	13,000	12,541
BC Gas Utility Ltd	8,000	7,974
Bell Canada Enterprises	20,000	20,123
BNS Capital Trust	13,000	13,386
Canadian Pacific Ltd	20,000	20,198
Canadian Tire Corp	17,000	15,541
Cards Trust	24,000	23,953
Chrysler Credit Canada Corp	50,000	49,150
Citibank Canada	93,000	94,698
Coca Cola Ent (Cda) Bottling Fin Limited	22,000	22,393
Ford Credit Canada Ltd.	83,000	81,957
General Motors Acceptance Corp	26,000	25,803
Genesis Trust	59,000	60,622
Greater Toronto Airports Authority	121,000	119,772
Hollis Receivables Term Trust	14,000	14,220
Honda Auto Receivable Trust	20,000	20,185
Loblaw Companies Limited	10,000	10,350
Merrill Lynch Canada Inc	18,000	18,423
Nav Canada	43,000	44,903
Nova Chemicals Corporation	24,000	23,808
Nova Gas Transmission Ltd	60,000	58,443
RBC Capital Trust	24,000	24,804
Royal Bank of Canada	91,000	94,851
Shaw Communications Inc	32,000	32,132
TD Capital Trust Securities	15,000	15,795
Toronto Dominion Bank	37,000	38,020
407 ETR International	68,000	74,012
	6,096,000	6,332,932

**LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited)**

DECEMBER 31, 2000

Security	Par Value	Market Value
Abatibi Consolidated Inc		70,891
AGF Management Limited		53,410
Alberta Energy Company Limited		88,314
Anderson Exploration Limited		86,828
Bank of Montreal		129,690
Bank of Nova Scotia		209,952
Barrick Gold Corp		82,197
Bombardier Inc		207,887
CAE Inc		75,396
Cameco Corp		101,062
Canadian National Railway		121,963
Canadian Natural Resources Ltd		114,955
Celestica Inc		101,250
C-Mac Industries Inc		109,880
Dofasco Inc		47,436
Domtar Inc		65,447
Enerflex Systems Limited		38,750
Firstwest Equities Inc		18,000
GSI Lumonics Inc		19,723
Intertape Polymer Group		20,240
IPSCO Inc		46,956
Loblaw Companies Ltd		89,890
Magna International Inc		95,608
Micrologix Biotech Inc		25,607
Mitel Corp		32,065
Noranda Inc		67,574
Nortel Networks Corporation		159,466
North West Company Fund		23,793
Penn West Petroleum Ltd		117,810
Petro-Canada		148,022
Power Corp of Canada		116,180
Power Financial Corp		90,958
Quebecor World Inc		115,432
Royal Bank Of Canada		240,521
Royal Group Technologies Limited		33,750
Sears Canada Inc		76,287
Talisman Energy Inc		138,568
Toronto Dominion Bank		154,682
		3,536,440
Greystone Managed Investments US Equity Fund		1,687,669
Greystone Managed Investments Emerging Markets Fund		136,259
Greystone Managed Investments Non-North American Fund		1,280,968
		3,104,896
	\$6,096,000	\$12,974,268

**LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited)**

DECEMBER 31, 2000

Summary	Par Value	Market Value
Government of Canada	\$3,409,000	\$ 3,583,112
Provincials and Guarantees	1,594,000	1,643,785
Corporate Securities	1,093,000	1,106,035
	\$6,096,000	\$ 6,332,932
Canadian Equities		3,536,440
Pooled Funds		3,104,896
Total Long Term Investments		
	\$6,096,000	\$12,974,268
Short Term Investments	1,177,000	1,150,735
	\$7,273,000	\$14,125,003

**LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS (Unaudited)**

EXHIBIT 2

YEAR ENDED DECEMBER 31, 2000

Bonds and Debentures	Maturity Date	Interest Rate	Cost
Purchased			
Government of Canada	Residuals	—	\$ 197,750
Government of Canada	December 1, 2001	5.25%	1,987,063
Government of Canada	September 1, 2002	5.50%	2,493,797
Government of Canada	September 1, 2004	5.00%	229,121
Government of Canada	September 1, 2005	6.00%	1,096,472
Government of Canada	October 1, 2009	10.75%	150,752
Government of Canada	June 1, 2010	8.00%	1,822,019
Government of Canada	June 1, 2011	6.00%	1,981,510
Government of Canada	June 1, 2015	11.25%	169,419
Government of Canada	June 1, 2025	9.00%	213,502
Government of Canada	June 1, 2029	5.75%	3,306,327
Government of Canada	December 1, 1931	4.00%	129,610
Export Development Corporation	June 22, 2010	6.20%	55,529
Hydro Quebec	February 15, 2011	6.50%	45,512
Province of British Columbia	December 1, 2006	5.25%	28,705
Province of British Columbia	August 23, 2010	6.375%	14,939
Province of British Columbia	August 23, 2013	8.50%	34,165
Province of British Columbia	June 18, 2029	5.70%	27,128
Province of British Columbia	June 18, 2031	6.35%	47,762
Province of Manitoba	June 2, 2008	5.75%	72,998
Province of Manitoba	November 15, 2018	5.50%	33,772
Province of New Brunswick	December 27, 2017	6.00%	58,528
Province of Newfoundland	October 17, 2030	6.55%	29,592
Province of Nova Scotia	September 1, 2010	6.40%	14,180
Province of Ontario	December 1, 2008	5.70%	12,281
Province of Ontario	November 19, 2009	6.20%	46,485
Province of Ontario	March 8, 2029	6.50%	82,191
Province of Quebec	December 1, 2005	6.50%	222,251
Province of Quebec	October 1, 2007	6.50%	35,461
Province of Quebec	October 1, 2029	6.00%	34,176
Quebec Finance Corporation	December 1, 2015	6.25%	37,863
Province of Saskatchewan	June 1, 2006	6.00%	32,990
Province of Saskatchewan	March 5, 2029	5.75%	20,045
Alberta Energy Company Limited	June 27, 2040	8.38%	17,022
Bell Canada Enterprises	May 1, 2003	6.00%	20,000
BNS Capital Trust	December 31, 2010	7.31%	13,000
Citibank Canada	July 28, 2003	6.40%	36,962
Citibank Canada	July 28, 2005	6.55%	36,968
Coca Cola Ent (Cda) Bottling Fin Ltd	July 24, 2003	6.70%	21,999
Ford Credit Canada Limited	June 20, 2005	6.65%	15,991
Genesis Trust	November 15, 2003	6.428%	37,000
Genesis Trust	February 15, 2005	6.869%	22,000
Greater Toronto Airports Authority	July 19, 2010	6.70%	21,971
Honda Auto Receivable Trust	March 14, 2002	6.423%	20,000
Loblaws Companies Limited	January 24, 2005	6.95%	9,998

LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS (Unaudited)

YEAR ENDED DECEMBER 31, 2000

	Maturity Date	Interest Rate	Cost
Purchased			
Merrill Lynch Mortgage Loans Inc	September 15, 2010	6.75%	17,997
-Nova Chemicals Corporation	August 30, 2010	7.85%	35,145
RBC Capital Trust	December 29, 2049	7.288%	24,000
Royal Bank of Canada	January 25, 2015	7.10%	30,119
Shaw Communications Inc	October 17, 2007	7.40%	32,126
TD Capital Trust Securities	December 29, 2049	7.60%	15,000
Toronto Dominion Bank	July 31, 2012	6.55%	36,955
TransCanada Pipelines Limited	December 9, 2030	6.50%	23,813
407 ETR International	August 15, 2007	9.00%	58,454
407 ETR International	December 17, 2007	6.90%	43,609

\$15,354,024

	Maturity Date	Interest Rate	Proceeds
Sold or Matured			
Government of Canada	Residuals	--	\$ 135,000
Government of Canada	December 1, 2001	5.25%	2,536,051
Government of Canada	September 1, 2002	5.50%	1,694,437
Government of Canada	September 1, 2004	5.00%	134,486
Government of Canada	September 1, 2005	6.00%	786,651
Government of Canada	June 1, 2009	5.50%	748,171
Government of Canada	June 1, 2010	5.50%	2,716,332
Government of Canada	June 1, 2011	6.00%	1,490,693
Government of Canada	December 1, 2021	4.25%	67,172
Government of Canada	June 1, 2029	5.75%	4,033,724
Government of Canada	December 1, 2031	4.00%	87,334
NHA MBS Canada Trustco Mtge Corp	February 1, 2002	4.875%	2,401
NHA MBS Canada Trustco Mtge Corp	April 1, 2002	5.375%	5,297
NHA MBS Canada Trustco Mtge Corp	November 1, 2002	5.125%	3,789
NHA MBS Royal Bank Mtge Corp	January 1, 2003	5.125%	6,418
Hydro Quebec	May 15, 2003	5.50%	221,810
Province of British Columbia	December 1, 2009	6.25%	14,824
Province of Manitoba	June 2, 2008	5.75%	14,374
Province of Manitoba	July 22, 2013	8.50%	129,998
Province of Ontario	December 1, 2008	5.70%	12,571
Province of Ontario	November 19, 2009	6.20%	27,914
Province of Ontario	June 2, 2027	7.60%	86,903
Province of Ontario	March 8, 2029	6.50%	161,218
Province of Quebec	October 1, 2007	6.50%	45,497
Province of Quebec	October 1, 2029	6.00%	38,075
Province of Saskatchewan	June 2, 2008	5.50%	32,894
Bank of Nova Scotia	July 22, 2013	5.65%	16,885
Bell Canada Enterprises	December 12, 2002	5.65%	61,309
Bombardier Inc	December 22, 2006	6.40%	18,388
Cards Trust	June 21, 2003	5.51%	41,881

LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS (Unaudited)

YEAR ENDED DECEMBER 31, 2000

	Maturity Date	Interest Rate	Proceeds
Sold or Matured			
General Motors Acceptance Corp	July 24, 2001	5.65%	\$ 63,235
Merrill Lynch Canada Inc	November 18, 2002	6.50%	21,073
Nova Chemicals Corporation	August 30, 2010	7.85%	10,844
TransCanada Pipelines Ltd	May 26, 2028	6.28%	25,499
TransCanada Pipelines Ltd	December 9, 2030	6.50%	24,828
Trizec Hahn Corp	September 1, 2000	6.10%	39,000
WestCoast Energy Inc	April 16, 2008	5.70%	20,651
407 ETR International	December 17, 2007	6.90%	32,218
407 ETR International	July 27, 2009	6.05%	27,456
407 ETR International	July 27, 2029	6.47%	25,728
			<u>15,663,029</u>
Net Change			<u>\$ (309,005)</u>

Corporate Shares
Transactions during the year 2000

	Shares	Purchases	Disposals	Net
Canadian Equities				
A T I Technologies Inc	500	\$	\$ 9,451	\$ (9,451)
Abatibi Consolidated Inc	5,137	89,401	5,390	84,011
AGF Management Inc	2,180	55,003		55,003
Alberta Energy Company Limited	1,230	75,906	7,839	68,067
Alcan Aluminium Limited	30	1,441	1,528	(87)
Anderson Exploration Limited	2,550	76,521	7,372	69,149
Bank of Montreal	450	11,383	40,461	(29,078)
Bank of Nova Scotia	1,040	25,550	99,613	(74,063)
Barrick Gold Corp	400	32,596	22,160	10,436
BCE Inc	3,270		343,831	(343,831)
Biomira Inc	2,930		18,952	(18,952)
Bombardier Inc	2,230	31,507	130,522	(99,015)
CAE Inc	3,090	65,486	6,919	58,567
Cameco Corp	200	21,337	24,167	(2,830)
Canadian National Railway	20	41,248	34,681	6,567
Canadian Natural Resources Ltd	350	17,138	36,796	(19,658)
Canwest Global Communications Corp	2,651		45,296	(45,296)
Celestica Inc	1,970	12,815	194,262	(181,447)
Cinram International Inc	2,280		18,481	(18,481)
C-Mac Industries Inc	460	15,908	206,811	(190,903)
Dofasco Inc	60	23,439	19,080	4,359
Domtar Inc	4,830	98,827	12,501	86,326
Donohue Inc	2,850	4,536	123,669	(119,133)
Enerflex Systems Limited	300	6,069	15,719	(9,650)
Firstwest Equities Inc	-		46,470	(46,470)
GSI Lumonics Inc	1,630	57,393	21,121	36,272
Imasco Ltd	4,450		184,765	(184,765)

LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS (Unaudited)

YEAR ENDED DECEMBER 31, 2000

	Shares	Purchases	Disposals	Net
Canadian Equities				
Intertape Polymer Group	610	\$ 24,089	\$ 8,465	\$ 15,624
Ipsco Inc	130	19,813	15,677	4,136
Loblaw Companies Ltd	170	19,450	26,990	(7,540)
Magellan Aerospace Corp	5,210	553	29,890	(29,337)
Magna International Inc	50	31,133	26,338	4,795
MEC Holdings (Canada) Inc	324	2,430	1,610	820
Micrologix Biotech Inc	1,455	1,529	14,860	(13,331)
Mitel Corporation	2,650	100,121	8,964	91,157
Noranda Inc	4,520	101,066	19,806	81,260
Nortel Networks Corporation	345	93,426	551,281	(457,855)
North Rock Resources Ltd	2,490	2,695	27,847	(25,152)
North West Company Fund	20		214	(214)
Penn West Petroleum Ltd	1,130	65,044	30,102	34,942
Petro-Canada	100	35,510	36,765	(1,255)
Power Corp of Canada	100	22,887	23,323	(436)
Power Financial Corp	1,700	14,691	67,618	(52,927)
Quebecor Inc	2,040	8,749	94,666	(85,917)
Quebecor World Inc	710	51,814	26,219	25,595
Royal Bank of Canada	2,040	43,870	70,798	(26,928)
Royal Group Technologies Limited	820	21,759	37,009	(15,250)
Sears Canada Inc	70	38,951	37,778	1,173
Shaw Industries Ltd	3,560	5,148	59,962	(54,814)
St. Laurent Paperboard Inc	4,220	8,809	131,404	(122,595)
Talisman Energy Inc	2,490	119,959	22,743	97,216
Toronto Dominion Bank	440	56,554	37,326	19,228
		<u>1,653,554</u>	<u>3,085,512</u>	<u>(1,431,958)</u>

Pooled Funds

Greystone United States Equity Fund	48,115	903,006	230,000	673,006
Greystone Emerging Markets Fund	16,688	174,100		174,100
Greystone Non-North American Fund	25,054	670,806	310,000	360,806
		<u>1,747,912</u>	<u>540,000</u>	<u>1,207,912</u>

Total Equities		<u>\$3,401,466</u>	<u>\$3,625,512</u>	<u>\$ (224,046)</u>
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Short Term Investments

	Purchases	Disposals	Net
Transactions during the year	<u>\$11,521,382</u>	<u>\$11,315,843</u>	<u>\$205,539</u>

LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS (Unaudited)

YEAR ENDED DECEMBER 31, 2000

Summary of Investment Transactions

Decrease in Bonds and Debentures	\$ (309,005)
Decrease in Corporate Equities	(1,431,958)
Increase in Pooled Funds	1,207,912
Increase in Short Term Investments	205,539
Total Investment Transactions	<u>\$(327,512)</u>
Investments, Beginning of year	13,888,714
Market Value Adjustment	563,801
Investments, End of year (market value)	<u>\$14,125,003</u>